

Salisbury, North
Carolina
May 6, 2003

REGULAR MEETING

PRESENT: Mayor Susan W. Kluttz, Presiding; Mayor Pro Tem, Paul B. Woodson, Jr.;

Councilmen William (Bill) Burgin; William (Pete) Kennedy; Robert (Bob) Martin; City Manager, David W. Treme; City Attorney, F. Rivers Lawther, Jr.; and City Clerk, Myra B. Heard.

ABSENT: None

The meeting was called to order by Mayor Kluttz at 4:00 p.m. The invocation was given by Councilman Kennedy.

PLEDGE OF ALLEGIANCE

Mayor Kluttz led those present in the Pledge of Allegiance to the United States flag.

RECOGNITION OF VISITORS

Mayor Kluttz recognized all visitors present.

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PROCLAMATIONS

Mayor Kluttz proclaimed the following observances:

NATIONAL POLICE WEEK	May 11 - 17, 2003
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NATIONAL TOURISM WEEK	May 11 - 17, 2003
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BETTER HEARING AND SPEECH MONTH	May, 2003
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CONSENT AGENDA

(a) Minutes

Approve Minutes of the regular meeting of April 15, 2003.

(b) Street Closing - 600 Block of North Arlington Street

Council received a petition to close the 600 block of North Arlington Street and adopted a resolution setting a public hearing for June 3, 2003.

RESOLUTION PERTAINING TO THE PROPOSED CLOSING OF THE 600 BLOCK OF NORTH ARLINGTON STREET.

(The above resolution is recorded in full in Resolution Book No. 11, under Chapter XII - Miscellaneous, at Page No. 18, and is known as Resolution No. 2003-19.)

Thereupon, Mr. Woodson made a **motion** to approve the Consent Agenda. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Kluttz voted AYE. (5-0).

REPORT ON VARIOUS GRANTS RECEIVED

(a) Ms. Melissa Taylor, Human Resources Director, indicated that the Human Resources Department has received two grants:

- A \$60,000 grant from the Z. Smith Reynolds Foundation, Inc. from which \$30,000 is to be used from January to December, 2003, and \$30,000 from January to December 2004. The money is designated for the salary of a coordinator for the multi-culturism program. An amount of \$12,000 is available for projects.
- A \$10,000 grant from the Salisbury Community Foundation, Inc. which is distributed in \$5,000 increments for a two-year period between January, 2003 and December, 2004. This grant money will be used for mayor spirit events, Covenant Community Connection activities, community multi-culturism training, and Hispanic Coalition activities.

Mayor Kluttz commented favorably and noted that the programs must be effective in order to have received additional grant monies over the last five years. She expressed appreciation for the work done by Ms. Taylor and her department, the Human Relations Council, the Covenant Community Connection, and everyone who has been working to make the City better.

(b) Mr. Sam Brady, Fire Chief, shared information about a \$1,200 public safety grant which the Fire Department received from Wal-Mart through its Good Works Program in which the company contributes money to various areas in the community to improve the quality of life. The Fire Department used the grant money to buy an electronic defibrillator which has already been used in life saving responses in the community.

RESOLUTION AUTHORIZING THE SALE AT PUBLIC AUCTION OF CERTAIN SURPLUS PERSONAL PROPERTY

Mr. Dewey Peck, Purchasing Manager, indicated to Council that this request is in reference to holding a public auction for the sale of surplus personal property among which are garbage trucks, fire trucks, police cars, desks, chairs, etc. He noted that the money from the sale would go back into the General Fund. This resolution would authorize him to hold the sale, execute necessary documents, transfer title and perform all necessary functions associated with this auction.

Thereupon, Mr. Woodson made a **motion** to adopt the resolution. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Kluttz voted AYE. (5-0)

Mr. Burgin asked for clarification as to whether money from the sale of vehicles goes back into the Replacement Fund or into the General Fund. Mr. Treme responded that the money went back into the General Fund. It was noted that money from items purchased out of water-sewer, however, goes back into the Water-Sewer Fund.

RESOLUTION AUTHORIZING THE SALE AT PUBLIC AUCTION OF CERTAIN SURPLUS PERSONAL PROPERTY.

(The above resolution is recorded in full in Resolution Book No. 11, under Chapter XII – Miscellaneous, at Page No. 19, and is known as Resolution No. 2003-20.)

BRENNER AVENUE UPDATE

Mayor Kluttz commented that recently there has been much community discussion and concern about Brenner Avenue and its condition, and that she requested that the City Manager and his staff prepare a report which would update Council on the plans for Brenner Avenue. She requested that the report include what the plans have been, where we are, why there was a hold-up, and what Council can anticipate when we are finalizing the budget next month.

Mr. Dan Mikkelsen, Land Management and Development Director/City Engineer, presented the requested update report. He indicated that he would review the plan which was put into place in October, 2000 and where the plan currently stands relative to that. He noted that Brenner Avenue is very much a rural design with no curb or gutter and that discussion in the public realm showed an interest in upgrading it to an urban road with curb and gutter. He indicated that in view of this interest to upgrade Brenner Avenue, he would discuss two alternatives that would be more of an urban cross-section and would share the relative advantages and expenses to each one.

October 2000 Plan

- Treat Brenner Avenue on a corridor basis from Jake Alexander Boulevard to the railroad with no attempt to change the area beyond the railroad tracks
- Conditions are appropriate for traffic, but not for pedestrians or bicycles

- Install street lights
- Install pedestrian refuge islands for people attempting to cross Brenner Avenue
- Install Greenway Trail with \$400,000 NCDOT funds for which the City would put up

\$40,000

Mr. Mikkelson pointed out that this plan did not support the parts of Vision 2020 designed to promote a more walkable and bicycle-friendly community and that ways to make improvements in those areas are being considered.

Mr. Mikkelson showed that the Greenway Trail would come out of Kelsey-Scott Park, parallel Old Wilkesboro Road, cross Brenner Avenue at the traffic signal and then parallel Brenner Avenue to Alexander Point. He indicated that the Greenway Trail would be a 10 foot wide paved trail and would be in the right-of-way, but would be separated from the roadway.

Current Status

Mr. Mikkelson stated that the four identified pedestrian crossings were at Horah Street, Old Wilkesboro Road, Standish Street, and Milford Hills Road, and that these have been completed. He commented that reaction to these crossings has been mixed. He noted that people walking and crossing the road like them, but would prefer them to be a little wider. Drivers who need to make left turns find them another obstacle which has to be avoided, he noted.

Mr. Mikkelson indicated that streetlights are pending. He noted that the delay occurred due to conflicts in the design submitted to Duke Power and budget reductions which included the loss of the staff person who does the design and funding for streetlight expansions. He stated that a staff member who is not as familiar with streetlighting would be freed up to work on this aspect, new software would be acquired, and a completely new design for the streetlighting would be developed.

Mr. Mikkelson stated that with respect to the Greenway, all NCDOT standards must be met with the design, and that this has been delayed by staff cutbacks.

Cross-sections - Brenner Avenue

a. Original Cross-section: Mr. Mikkelson explained that this was a rural design with north and south traveling lanes and a center turn lane, and that DOT built it according to this design at a time when it was thought that it would address traffic congestion. He noted that the center lane is essentially a center turn lane to nowhere due to guard rails, and that at such time as the City resurfaces the road, extra money is being paid out to maintain a lane that is not being used at all in the mid-blocks. Mr. Mikkelson noted that Livingstone College is the major property owner on both sides of Brenner Avenue, but that their future development plans have few connections directly to Brenner Avenue. He also stated that as the street exists today it has no sidewalks, no curb or gutter, and accommodates primarily vehicles only.

b. October 2000 Cross-section: Mr. Mikkelson explained that this design was to take advantage of the center turn lane by shifting mid-block traffic in the northbound lane to the center lane. He noted that this shift into what used to be the center turn lane would provide enough room in the remaining right-of-way for the Greenway Trail to be installed. He commented that this would still be a rural design with no curb or gutter, but would accommodate bikes and pedestrians on one side only. He noted that this cross-section would be at a relatively low cost for the City.

c. Urban Symmetrical Cross-section: Mr. Mikkelson explained that this design would be a typical urban design where it is symmetrical on each side of the road with curb, gutter, a six-foot sidewalk, and a 6' bicycle lane. He noted that this design accommodates pedestrians, adult bikes, and vehicles. Mr. Mikkelson pointed out that with this design there would be no room for the Greenway Trail, the City would lose the option for the DOT money, the Greenway master plan would be interrupted, additional street-sweeping would be needed to keep the bicycle lanes clear, and all of the curb, gutter and sidewalk would be at City expense. He noted that this cross-section would be at a relatively high cost for the City.

d. Urban Hybrid Cross-section:

Mr. Mikkelson explained that this design would be urban in nature. He noted that on the west side there would be curb and gutter and a 6' sidewalk, and that on the east side there would be the Greenway Trail, curb and gutter, and a shift of the northbound traffic to what is currently the center turn lane. He commented that the advantages to this plan are that there is curb and gutter appearance on both sides, there is a sidewalk on one side which will accommodate pedestrians, and there is the Greenway Trail on the other side which will accommodate pedestrians and bicycles for both adults and children.

Mr. Mikkelson advised that if Council wants to make a change to urban style, staff would recommend the hybrid design. It has the intermediate cost and higher level of service, particularly for the bicyclists.

Cost of Cross-section Options

Mr. Mikkelson explained the cost factors and levels of service for each cross-section:

ITEM	2000 PLAN	SYMMETRICAL	HYBRID
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		West Side	East Side	West Side	East Side
Curb and Gutter	0	40,000	40,000	40,000	40,000
Sidewalk		107,000	107,000	107,000	0
Greenway*	40,000	0	0	0	40,000
Resurfacing	60,000	60,000		53,000	
Drainage	0	85,000		85,000	
TOTAL CITY COST	\$100,000	\$439,000		\$365,000	
* City share only					
LEVEL of SERVICE:					
Vehicles	Yes	Yes		Yes	
Pedestrians	One side	Both sides		Both sides	
Bicycles (Adults)	One side	Both sides		Both sides	
Bicycles (Children)	One side	No		One side	

Mr. Mikkelson explained that if the Council were to decide on abandoning the old plan and switching to an urban design, staff would recommend going with the Hybrid Cross-section. He noted that it offers both the intermediate cost and the higher level of service. Mr. Mikkelson shared a possible funding plan for the Hybrid Cross-section design:

Funding for Hybrid Cross-Section Design	
FY 03 resurfacing	60,000
FY 04 street maintenance	20,000
FY 04 HUD	30,000
Site preparation by City forces	50,000
1 cent tax	205,000
Total	\$365,000

Mr. Mikkelson explained that the Street Division is preparing to resurface Brenner Avenue at the cost of \$60,000 and that the money could be deferred and placed in the funding plan. He noted that \$30,000 of FY04 HUD budget, which has been earmarked for sidewalks, primarily in the west end, could be placed in the funding plan. He commented that initial contacts had been made with the leadership in the west end, mainly WECO, and they indicated support for this. No one has yet met with the whole group. Mr. Mikkelson noted that if the site preparation was done by City forces, it would mean that street maintenance forces would be removed from other projects for a defined period of time.

Mr. Steve Weatherford, Street Maintenance Manager, explained that the Street Division has been working intensely on Brenner Avenue this spring in preparation for resurfacing and that the work is complete. He noted that if curb and guttering is being considered on one side, resurfacing should be deferred. Mr. Weatherford commented that the recommended plan would require approximately 4,000 plus feet of curb and guttering and sidewalk.

Mr. Vernon Sherrill, Public Services Director, explained that the 2000 Plan would have already been implemented and the road resurfaced had it not taken so much time to install the islands and the road bed in better shape. He conveyed that City Manager Treme decided just prior to the resurfacing that the project be stopped and that Council be given updated information before proceeding. Mr. Sherrill commented that the City has had a long-term commitment to the Greenway and that with the funds that are available, another good look should be taken. He noted that his staff recommends the Hybrid Cross-section plan.

City Manager Treme said he thought that the Mayor felt this was a budgetary decision and one that could be decided as the budget for FY2003-2004 is prepared. He commented that he had talked with people who have an interest in this project, including Livingstone College who owns property along the thoroughfare, and that there was consistency with the urban development. Mr. Treme commented that he feels the Hybrid system gives the best service for the people at the intermediate amount of money. He noted that it

does take advantage of the state money that we know is going to come. Mr. Treme noted that with reductions over the last three years in the Powell Bill funding for resurfacing, this project would have to be done on our own through replenishing funds.

Mr. Kennedy noted that Council has already gone on record to support sidewalks and the Greenways in that area, and wants the public to know that they stand behind this project and just have to find the funds to pay for it.

ZONING MAP AMENDMENT - Z-3-03 - SPEAR CONSTRUCTION, MILDRED AVENUE AND LUMBER STREET

Z-3 -03 - Spear Construction Company

Mildred Avenue and Lumber Street

The request is to rezone approximately 2.3 acres located between Mildred Avenue and Lumber Street with the proposed extension of Melrose Street between those two streets. The proposed zoning is from M-1 Light Industrial District to SFC Single Family Conservation Residential District. Planning Board unanimously approved the request.

(a) Mr. Harold Poole, Senior Planner, informed Council that the property in question is undeveloped with industrial property to both the north and south. He noted that the houses along Mildred Avenue are on the only side of the property that has been developed in a residential manner. Mr. Poole explained that after the rezoning, Mr. Spear will need to go through subdivision, probably modification of standards, close the alleyway, and extend the street among other additional processes. He commented that the understanding from Mr. Spear is that there would be affordable housing at the location on a total of twelve (12) lots.

Mr. Poole noted that the question could arise as to why the need to rezone since there can be residential in M-1. He explained that in M-1 lots must be at least 100 feet wide to develop, and it would not be possible to develop affordable housing with lots of that size.

(b) Mayor Kluttz convened a public hearing, after due notice and advertisement thereof, on the following zoning map amendment Z-3-03.

Those speaking **in favor** of the above proposal were:

Mr. Jeff Smith, 210 East Innes Street, explained to Council that when he first heard about this proposal he was a little concerned about loss of industrial area and input from neighbors several years ago indicating their desire not to be rezoned. He noted that he now realizes that the area is not the hotbed of industrial activity he once thought it might be. Mr. Smith stated this is an opportunity to potentially stabilize the neighborhood and provide much needed affordable housing for Salisbury.

Mr. Smith indicated that he wanted to address the issue of compatibility. He showed pictures of current homes in the area and questioned whether having 100 foot wide lots in this M-1 district would represent compatibility with the existing homes. He noted that Mr. Poole had raised the question of whether or not affordable housing can be done on 100 foot lots. Mr. Smith indicated that land cost is probably the highest contributing factor to affordability. He commented that SFC zoning is critical to the feasibility of affordable housing, critical to the compatibility with the surrounding neighborhood, and a positive change for the area.

Mr. Smith explained that the original plan called for a cul de sac with no connectivity, but that with much help from staff this issue has been resolved. He shared pictures of the original mill village which was developed on 50 foot wide lots currently there, and noted the potential alleyways and buffer areas to shield the industrial neighbors from the new residential neighbors. He commented that it is more compatible to have smaller lots than 100 foot lots within one zoning. Mr. Smith showed pictures of homes that have been built on 60 foot lots elsewhere in the City and indicated that they represent the type of building proposed in this development plan. He requested that Council address the issue of affordable housing needs in Salisbury by rezoning this property to SFC Residential District. Mr. Smith noted that this has potential to stabilize this fragile neighborhood.

No one else was present to speak for or against the above proposal. Therefore, Mayor Kluttz closed the public hearing.

Mr. Kennedy indicated that he would like to add that rather than being in the SFC, he would like to see other areas in the city with 50 foot lots be developed. He noted that a consultant has recommended that the City return to the 50 foot minimum width instead of a 60 foot minimum. He commented that he supported the recommendation and this current proposal.

(c) Thereupon, Mr. Woodson made a **motion** to approve the zoning from M-1 Light Industrial to SFC Single Family Conservation. Mr. Martin seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Kluttz voted AYE. (5-0)

AN ORDINANCE AMENDING THE OFFICIAL ZONING MAP OF THE CITY OF SALISBURY, NORTH CAROLINA, BY REZONING APPROXIMATELY 2.3 ACRES WITH ABOUT 400 FEET ON THE EAST SIDE OF MILDRED STREET AND ABOUT 400 FEET ON THE WEST SIDE OF LUMBER STREET, IDENTIFIED AS PARCELS 65 AND 66 ON SALISBURY TWP. TAX MAP 17 AND A PORTION OF PARCEL 5 ON SALISBURY TWP. TAX MAP 18, FROM M-1 LIGHT INDUSTRIAL DISTRICT TO SFC SINGLE-FAMILY CONSERVATION RESIDENTIAL DISTRICT.

(The above ordinance is recorded in full in Ordinance Book No. 19, under Chapter XII - Zoning Planning, at Page No. 24, and is known as Ordinance No. 2003-32.)

ZONING MAP AMENDMENT - Z-4-03 - MID-STATE PETROLEUM, INC.

Z-4-03 - Mid-State Petroleum, Inc.

939 Jake Alexander Boulevard South

The request is to rezone approximately 1.1 acres located at the southwest corner of the intersection of Jake Alexander Boulevard South and Interstate 85 from M-1 Light Industrial to B-6 General Business.

(a) Mr. Harold Poole, Senior Planner, showed a picture of the BP service station and the BP high-rise business or pylon sign which is located behind the main building. He indicated that the request has been made so that the name on the existing sign can be changed over to the name of the new company. He noted that pylon signs are permitted only in the B-4, B-6, and B-7 zoning districts and not in the M-1 district. The requested B-6 zoning would be compatible with the needs, he noted. Mr. Poole pointed out other nearby B-6 zones and indicated that the rezoning would be consistent with properties in the area and would not be introducing a new classification. The Planning Board recommendation is to approve as requested.

(b) Mayor Klutz convened a public hearing, after due notice and advertisement thereof, on the following zoning map amendment Z-4-03.

Those speaking **in favor** of the above proposal were:

Mr. Allen Denny, Mid-State Petroleum, Inc., informed Council that as a result of the merger of BP and Amoco, Mid-State is being forced to re-image this site from BP to Citgo. He noted that when they change the pylon sign, which is critical to the business, they would be thrown into a nonconforming situation and lose the sign. He is requesting approval of the rezoning.

No one else was present to speak for or against the above proposal. Therefore, Mayor Klutz closed the public hearing.

(c) Thereupon, Burgin made a **motion** to approve zoning map amendment Z-4-03 as presented. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Klutz voted AYE. (5-0)

AN ORDINANCE AMENDING THE OFFICIAL ZONING MAP OF THE CITY OF SALISBURY, NORTH CAROLINA, BY REZONING APPROXIMATELY 1.1 ACRES WITH ABOUT 200 FEET ON THE SOUTH SIDE OF JAKE ALEXANDER BOULEVARD SOUTH AND ABOUT 200 FEET ALONG THE SOUTHBOUND INTERSTATE 85 ON-RAMP, IDENTIFIED AS PARCEL 97 ON SALISBURY TOWNSHIP TAX MAP 60, FROM M-1 LIGHT INDUSTRIAL DISTRICT TO B-6 GENERAL BUSINESS DISTRICT.

(The above ordinance is recorded in full in Ordinance Book No. 19, under Chapter XI - Zoning Planning, at Page No. 25, and is known as Ordinance No. 2003-33.)

Mr. Burgin commented that in the sign ordinance development there had been intersections where an overlay for taller signs was negotiated to favor business versus other places, and that approval of this request from Mid-State Petroleum is consistent with that.

Mr. Kennedy commented that Council has just approved two requests which help the business community and developers. He stated that this Council has sometimes in the past been labeled as unfriendly to business, but that once again, it continues to help business.

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PARK AVENUE COMMUNITY CENTER AND HUD SECTION 108 LOAN

Ms. Lynn Raker, Urban Design Planner, reviewed with Council the evolution of the Park Avenue Community Center Project from its beginning in 1995.

1995 - Council identified three neighborhoods including Park Avenue, East Fisher St.

and West End Neighborhoods to initiate neighborhood planning and problem solving

1998 - Park Avenue Neighborhood completes Strategic Redevelopment Plan with renovation of 2 historic commercial buildings into a community center as a key strategy in the plan

1998 - Council goal was to implement Park Avenue Plan

2001 - Feasibility study on 2 buildings determines they are suitable for renovation

2001 - Council votes to apply for HUD Section 108 loan to finance renovation of buildings.

Ms. Raker indicated that they are well into the project and it has been challenging with some hidden problems as is common with the

renovation of older buildings. She reminded staff that the low bidder was Summit Developers, Inc. for \$647,759. Council awarded the contract to them after staff had negotiated the contract through some value engineering, Ms. Raker stated. She noted that since awarding the contract there have been change orders totaling \$81,830, and that the total cost to date stands at \$729,589.

Ms. Raker noted that the major change order items were as follows:

- Exterior wall and ceiling upgrades for the frame building: \$28,766
- Interior wall and ceiling upgrades:
 - for frame building \$23,257
 - for brick building \$12,675
- Structural repairs: \$ 6,924

Ms. Raker commented that these changes were decided after extensive communication with the State Historic Preservation Office. She stated that their Restoration Specialist had encouraged retaining the original wood materials on both the outside and inside of the frame. The cost to abate the lead on both of those surfaces was extremely high as would be future costs to maintain the surfaces, Ms. Raker stated. She noted that they elected to upgrade the exterior walls to hearty plank which could easily be repainted and to use sheet rock for the interior walls.

Ms. Raker indicated that in the brick building, the interior of the wall is currently brick, but that the original surface was plaster. She noted that to remove the plaster would cost more than putting up sheet rock which is an easier surface to maintain. Ms. Raker indicated that structural repairs have added to the value of the building and that had these needs been detected prior to awarding of the contract, the cost would have been added.

Mr. Kennedy asked if the project had come too far along to be scrapped and start from scratch to construct a building historic in style. Ms. Raker responded by saying that these are historic buildings and were identified by the neighborhood as a significant part of the fabric of the neighborhood. She noted that when it is finished, the center will be as serviceable as a new building and retain the historic character of the neighborhood, which was the intent of the plan. She commented that the overall cost of renovating these buildings is possibly less than constructing new buildings with comparable square footage.

City Manager Treme commented that when the project was started, the first question he asked was whether or not it would be possible to tear down the existing buildings and start over. He said he felt that once the project was underway, structural and other problems which could not have been detected earlier could surface. He noted that when the study was done, it was discovered that one building was a pivotal structure and the other was a supporting structure. Mr. Treme stated that consideration was given to building elsewhere and leaving the existing structures as they were, but that they elected the current designation and in so doing committed to the finish. Mr. Treme commented that he did not believe the structures can now be leveled and consideration given to new construction. He indicated that he wanted to share this update to acquire support of the Council to proceed with the project.

Mr. Kennedy noted that it should be clearly reiterated to the public that the cost of the project is covered from HUD funds and that taxes will not be increased to fund this project.

Mr. John Brooks, Community Development Consultant, explained that the Section 108 Loan allows an entitlement city to borrow up to five years of its most recent entitlement grant for projects such as this one. Salisbury was eligible to borrow about \$2 million dollars, but opted for only \$650,000, he said. He indicated that Council was being asked to approve a fixed rate note and contract for the 108 Loan. He commented that in previous budget years, Council had appropriated monies for the Park Avenue Redevelopment and that some of those funds are currently being used to pay the contractor. Mr. Brooks indicated that they are now at the point where there is a need to draw down federal funds on the 108 Loan. Mr. Brooks stated that we currently pay only the interest due, and that once construction is completed, any amount we draw now is the amount actually financed. He noted that once that is done, the 108 Loans will be sold in public offering once a year to determine the fixed interest rate. He commented that currently the interest rates are running about 2.5% . Mr. Brooks noted that they will be paying back the loan with entitlement funds received from HUD once every year.

Mr. Treme indicated that when we are using HUD Funds we have to recognize the historic nature of the buildings and have to treat them as such. He commented that if private funds were being used, we probably would not be here, but the interest rate for private funding could not match the 2.5% federal interest rate and the ability to pay this back out of entitlement funds. Mr. Treme stated that it is their recommendation to recognize the increased cost and proceed using the HUD Funds in the financing and repayment from the HUD entitlement funds.

(a) Thereupon, Mr. Kennedy made a **motion** to approve the fixed note contract for HUD Section 108 Loan. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson, and Ms. Klutz voted AYE. (5-0)

(b) Thereupon, Mr. Kennedy made a **motion** to adopt the amendment to the ordinance for \$650,000. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson, and Ms. Klutz voted AYE. (5-0)

AN ORDINANCE AMENDING THE 2002-2003 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA, TO APPROPRIATE HUD SECTION 108 LOAN.

(The above ordinance is recorded in full in Ordinance Book No. 19, under Chapter II - Administrative, at Page No. 16, and is known as Ordinance No. 2003-34.)

BUDGET ORDINANCE AMENDMENT 2002-2003 - APPROPRIATE LOCAL LAW ENFORCEMENT BLOCK GRANT

Ms. Barbara Fuller, Fiscal Analyst with the Salisbury Police Department, informed Council that the Police Department had received another block grant this year, and that the money would be used for bicycle helmets, continuation of mobile data computers, and a youth crime prevention program.

Thereupon, Mr. Woodson made a **motion** to approve the budget ordinance amendment for the 2002-2003 Budget in the amount of \$55,908 for law enforcement block grant. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson, and Ms. Klutz voted AYE. (5-0)

AN ORDINANCE AMENDING THE 2002-2003 BUDGET ORDINANCE OF THE CITY OF SALISBURY, NORTH CAROLINA, TO APPROPRIATE LOCAL LAW ENFORCEMENT BLOCK GRANT.

(The above ordinance is recorded in full in Ordinance Book No. 19, under Chapter II - Administrative, at Page No. 17, and is known as Ordinance No. 2003-35.)

CITY-OWNED PROPERTY - 2110 JAKE ALEXANDER BOULEVARD NORTH

Mr. Larry Chilton, Land Consultant, informed Council that the City received a bid of \$32,500 (which is the appraised value) from Salisbury Academy for the property which is located just north of a proposed public street in conjunction with the CVS project. He noted that this is a vacant, remnant piece of property that will be created by the proposed new road. He stated if Council is desirous of considering this bid, then Council action would be to direct staff to advertise for upset bids and a report would be brought back at the next Council meeting. He commented that staff felt it would make sense for the school to acquire this remnant property which could be used for playground activities and parking. He noted that it would free the City of maintenance on 1.3 acres of land. Mr. Chilton stated that staff would recommend advertising for upset bids.

Mr. Treme commented that this was another example of trying to locate a CVS drug store on a corner with needed access out to Jake Alexander Boulevard. He commended the Utility Department and Mr. Chilton for getting together with the neighborhood, the school, and the developer to work out a solution that would provide some balance and keep everybody reasonably in good humor. He noted that this seemed to be the solution that would allow the drug store to go in, allow the school the buffer they need, provide the needed access, and not provide access from the neighborhood.

Mr. Kennedy asked if the funds from the sale of this property could be set aside for sidewalks on Brenner Avenue. Mr. Treme responded that this money might be needed to balance this year's budget, but that if there are extra monies, that is probably where it could be used.

Mr. Chilton commented that the proposed public street is also running across city property and that a group development proposal will come before Council at the next meeting. He indicated that he and Mr. Matt Bernhardt have been working with the developer to bring about improvements to the existing lot where the water tank is located. He noted that security issues there require fencing, and that staff is trying to be sensitive to that highly visible intersection.

Thereupon, Mr. Kennedy made a **motion** to authorize staff to advertise for upset bids in the amount of \$32,500 for the piece of the property on Jake Alexander Boulevard. Mr. Woodson seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Klutz voted AYE. (5-0)

Mr. Woodson asked if it was felt that there would be any other bids on the property. Mr. Chilton indicated that it is currently zoned R-8, it would be possible to probably get one good building lot there, but that he felt there would probably be no competition for the property.

RESOLUTION ENDORSING THE MEMORANDUM OF UNDERSTANDING FOR THE CABARRUS-ROWAN METROPOLITAN PLANNING ORGANIZATION (MPO)

Mr. Dan Mikkelsen, Land Management and Development Director/City Engineer, explained that in October, 2002, Council agreed to investigate joining the Cabarrus-South Rowan Metropolitan Planning Organization (MPO). He noted that he and Councilman Burgin have been serving as representatives. He commented that the two items addressed during this interim period were to create a Memorandum of Understanding and to establish membership fees. Mr. Mikkelsen noted that the Memorandum of Understanding has been drafted, reviewed, and endorsed by the MPO. The membership fee for Salisbury has been set at approximately \$5,000 which has been included in the budget request for the upcoming fiscal year. He added that the staff recommendation is to adopt the attached resolution which is to approve the Memorandum of Understanding.

Mr. Burgin indicated that the two issues which needed to be addressed had to do with the cost of joining and how many votes each

unit would have. He commented that the cost will basically be a function of the population and the number of votes would be one vote per unit. Mr. Burgin indicated that there had been discussion regarding the formula to be used. He noted that the formula adopted puts the counties at a little advantage over the municipalities.

Thereupon, Mr. Woodson made a **motion** to endorse the resolution for the Memorandum of Understanding for the Cabarrus-Rowan MPO. Mr. Martin seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Klutz voted AYE. (5-0)

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALISBURY, ENDORSING THE MEMORANDUM OF UNDERSTANDING FOR THE CABARRUS-ROWAN MPO.

(The above resolution is recorded in full in Resolution Book No. 11, under Chapter XII - Miscellaneous, at Page No. 20, and is known as Resolution No. 2003-21.)

REPORT ON NORTH CAROLINA MOVING AHEAD

Mr. Dan Mikkelson, Land Management and Development Director/City Engineer, explained that on April 15, 2003, a memorandum was received from DOT about an initiative coming out of the Governor's office called North Carolina Moving Ahead. He commented that the deadline for replying was set by DOT for May 2. He noted that he and Mr. Treme had to reply without the benefit of coming to a full Council meeting beforehand.

Mr. Mikkelson indicated that if this initiative is approved by the Legislature, it will provide about \$630 million as a one-time cash flow to improve maintenance of state highways excluding interstate roads. He noted that the state wants to set up criteria for projects, get input from local governments as to recommended projects, evaluate roads based on the surface condition, accidents, and traffic volume in order to prioritize expenditures. He indicated that the deadline was set for May 2 because the money must be spent within a two-year time-period and the state needs to be able to start as soon as the Legislature approves it.

Mr. Mikkelson explained that the criteria which has been established focuses on where the money can be spent. He commented that it will be maintenance money and will take roads which are of substandard width and widen the lanes, repair road surfaces that are in bad condition, improve the lifespan of the road, relieve congestion if possible, and make safety improvements. He stated that this is not intended to be an expansion program, but rather a catch-up maintenance program. Mr. Mikkelson noted that the types of roads which are most likely to benefit from this program are rural highways, and that Rowan County has plenty of rural highways that need this repair money, he noted. The County Commissioners had an opportunity for public input prior to the deadline. He told Council that management level City staff discussed the state roads that run through the city, looked at the TIP recommendations which we carry from year to year, and arrived at a list of projects which we recommended for the initiative. He noted that most projects recommended are roads that ultimately will be coming to the City for maintenance under the Ultimate Street System Responsibility Plan that was approved by the city and the state several years ago.

Mr. Treme explained that the County has no roads per se, because they are all state maintained roads other than maybe a few dirt roads. He noted that the city has about 40 miles of state roads within the city limits and many of the improvement projects to these roads were included in our Transportation Improvement Program.

Mr. Kennedy commented that he was delighted to see the inclusion of sidewalks on Old Wilkesboro Road in the request.

Mayor Klutz reminded Council that this is subject to being passed in the Legislature. Mr. Mikkelson noted that it was felt it would pass and if so, NCDOT would have the needed information to start immediately. Mayor Klutz also noted that the Metropolitan Coalition is endorsing the initiative.

BOARDS AND COMMISSIONS

Planning Board

Upon **motion** of Mr. Kennedy, seconded by Mr. Martin, and with Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Klutz voting AYE, the following appointment was made to the Planning Board:

Mitzi G. Clement	appointment	(ETJ Member)	Term expires 3-31- 06
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Parks and Recreation Advisory Board

Upon **motion** of Mr. Kennedy, seconded by Mr. Burgin, and with Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Klutz voting AYE, the following appointment was made to the Planning Board:

Andrew Mitchell	Appointment	Term expires 3-31- 06
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COMMENTS FROM CITY MANAGER

(a) Planning Board Recommendations and Comments

Council received the Planning Board recommendations and comments from their April 22, 2003 meeting.

(b) North Carolina Local Government Performance Measurement Project

City Manager Treme, explained to Council the agreement between the North Carolina School of Government and the City of Salisbury which commits to three-year participation in the Performance Measurement Project . He noted that the City was one of the initial communities in the state to be a part of the performance measurement, and is a part of our budgeting. He commented that he is recommending that City Council approve this \$10,000 per year contract beginning July 1, 2004 through 2007.

Thereupon, Mr. Burgin made a **motion** to approve \$10,000 for participation in the Performance Measurement Project. Mr. Kennedy seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson and Ms. Klutz voted AYE (5-0).

(c) Acting City Clerk

City Manager Treme recommended that City Council appoint Ms. Swannetta Fink as Acting City Clerk during the week of May 12-15, 2003.

Thereupon, Mr. Woodson made a **motion** to appoint Ms. Swannetta Fink as Acting City Clerk during the week of May 12-15, 2003. Mr. Burgin seconded the motion. Messrs. Burgin, Kennedy, Martin, Woodson, and Ms. Klutz voted AYE. (5-0)

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(d) Federal Energy Regulatory Commission (FERC)

City Manager Treme referred Council to a letter which was received from the Federal Energy Regulatory Commission (FERC) regarding a flooding situation April 18-22, 2003. He explained that there had been correspondence with FERC concerning the flooding. He indicated the City has requested that Alcoa identify actions taken to mitigate the flooding situation, that there be a review of any structural, operational, maintenance problems of their ten spillway gates, that FERC furnish us with a review of the permit to see what guidance Alcoa was giving to reduce the flooding, that determination be made of Alcoa's action to minimize the flooding in connection with their FERC license, and that we be furnished existing documents of studies of flooding immediately downstream of our raw water pump station at the confluence of the Yadkin and South Yadkin Rivers. Mr. Treme noted that a copy of the letter to FERC had been sent to the Governor, our Senator, etc..

Mr. Treme indicated that the response from FERC stated that they have requested the following information from Alcoa for the period February 1-April 29: hourly operational data on the headwater and tailwater elevations, turbine discharge, flood gate discharge, total discharge, number of floodgates open and each gate opening, inflow, and any structural, operational, or maintenance problems or limitations that were encountered during the flooding period from March 18-22 that might have reduced Alcoa's ability to minimize upstream flooding. He noted that a response from Alcoa to FERC was expected within 15 days.

Mr. Treme commented that the city has experienced some damages in the water and sewer utility from the flooding. How someone operates that dam downstream has some impact on the folks who are upstream, he said. Mr. Treme noted that we apparently were not the only units with the same concerns, because copies of the letter were received by others on the river. Mr. Treme stated that he wanted to insure that the actions of our FERC licensee are not creating damage to the city, our facilities, and our infrastructure.

Mr. Burgin asked if this problem with Alcoa not releasing the water has been ongoing or a new way of handling things. Mr. Treme explained that this year, we went from drought, to freezing, to flooding, and recorded probably the second highest flooding since inception, and he thought it would be an appropriate time to see what was happening. He commented that when the flood waters came, he, Mr. Bernhardt, and Mr. Vest called Mr. Gene Ellis at his house and faxed a request to open the gates to which they did respond. He noted that they were cooperative, but that it was preferable to have existing permits or new permits in place which would insure ways to mitigate any flooding without our having to call them. Mr. Burgin asked if there has been a history of flooding like this. Mr. Treme responded that flooding situations have existed from time to time, but not like this.

(f) FY2003-2004 Proposed Budget

City Manager Treme, presented highlights of the proposed budget for FY2003-2004 totaling expenditures of \$53,427,764. He reported projected taxable property values for Salisbury from the Rowan County Tax Assessor to be \$2,130,000,000, an increase of 7.51%.

Mr. Treme indicated at the beginning of his presentation that there were several important considerations which will have both short

and long term impact on the City and the citizens:

- Taxable property analysis and revaluation
- The half-cent sales tax and hold harmless payment provision
- City Council commitments which are included in this proposed budget:

noise barriers along I-85 at the Oakland Heights neighborhood and a 10% match for sidewalks along Highway 70

- Significant differences between the City of Salisbury's and the State of North Carolina's Fund Balance Reserve Policy

Mr. Treme reminded Council it has been a very conservative city council and has a policy of a 10% general fund unreserved fund balance (both designated and undesignated funds). It has dropped to below the 10%. Is the 10% policy what the Council wants to continue? asked Mr. Treme. He noted the State of North Carolina requires cities to have an 8% fund balance.

Mr. Treme proceeded by highlighting the major funding recommendations as follows:

- Water and Sewer: 1.87% average increase in residential water and sewer rates
- Telecommunications: Replace current, outdated equipment and improve emergency communication
- Police Department: Renovations to Police Department Headquarters and continuation of "Project Safe Salisbury" program designed to curb gun violence
- Fire Department: Capital improvements to existing buildings, re-instatement of a clerical staff position, and continue substation on Highway 70
- Fire/Police Dispatch: Form a combined City Fire and Police dispatch system which would separate the city from the county
- Public Services: Add an employee to accommodate the annexation and resurface roads
- Human Resources: An average 3% merit pay increase

17.4% increase in health insurance

Net increase of 11.5 personnel positions:

(One Public Information Officer, one Web Designer, one

Equipment Operator in Street Division for annexation, one Office Assistant for Fire Department,

one Planner, one GIS Technician, one GIS

Mapping Technician, one Utilities Project Manager, three

employees for a new I&I crew, one temporary part-time

Wastewater Plant Operator, and two summer employees for

hydrant maintenance, three summer positions for Cemetery,

combined into two positions and the Minimum Housing person to the Fire Department

- Transit: Replacement of four buses
- Vehicles and Net fleet reduction of 40 units by end of this Fiscal Year

Equipment:

- Parks and Recreation Continue ongoing repair and renovations; continue providing services at current levels
- Land Management and Development Downtown streetscapes, greenway funds, etc.

MAYOR'S ANNOUNCEMENTS

(a) Unified Development and Zoning Ordinance (UDO)

Mayor Kluttz indicated that a memo creating a Unified Development and Zoning Ordinance (UDO) had been received from Mr. Steve Blount, Chairman of the Rowan County Commissioners, asking if Council would agree to joint Planning Board meetings. She indicated that Mr. Fred Dula, Chairman of the Salisbury Planning Board, had been invited to attend the next County meeting, but did not feel he could give an answer until he had the endorsement of Council.

Mayor Kluttz asked Mr. Mikkelson to address the pros and cons of the City participating in this venture. He commented that the pros include several items which could result in relatively quick successes with those being: environmental sustainability, greenways and open space, transportation planning which we will now be doing through the MPO, some utility issues such as flood plain management, and better permit coordination. Mr. Mikkelson noted that among the issues that would be contentious and not so easy to realize success would be: ETJ planning, systematic annexation and growth management, and development standards. Mr. Mikkelson indicated that Staff recommends that when engaged in any discussions about joint planning or UDO development, the focus be on those areas where there can be small, quick successes and that we stop short of a complete UDO which means that every unit in the county adopts the same development ordinance. He noted that it would be difficult to accomplish that without asking individual units to give up their autonomy, but if everyone maintains their autonomy, there will not be a UDO. Mr. Mikkelson commented that the City needs to focus on the Vision 2020 Plan in which so much has been invested and that the citizens are expecting. It would be inappropriate to expect other governmental entities to adopt the Vision 2020 Plan, he said.

Mr. Burgin commented that, from a developer or architect's point of view, having the ability to go to one source to do any building in the county is appealing to the industry. He noted that even from a base, if you go from the county to the city it would be necessary to add additional things, and that there would be progression as one gets into municipalities. He pointed out that the city adopted the North Carolina Building Code, but cannot use it because the county has the inspection department. He commented that there exists this wonderful code that would allow the city to salvage buildings and let developers use buildings with a very specific and understandable process, but one that we cannot use because the city does not have a code department. Mr. Burgin expressed his major concern as being that it might lengthen the period of time it would take to develop the new ordinances, and noted that, as a Council, there is recognition of the need to move on that rather quickly. He indicated a willingness to sit at the table as a Councilman and ask if there are any real successes that can be recognized early and are there some advantages from giving a little in order to get something.

Mr. Treme commented that three years have been spent to get to this point and that there is money in the base of the budget for Vision 2020 this year and, hopefully, next year. He noted that after all of this preliminary work, momentum on the plan would be lost if the city were to stop and wait an extended period of time to figure out how to do this.

Mayor Kluttz asked for input from the Council, and it was agreed that the Salisbury Planning Board would attend a meeting with the County Planning Board with an agenda for information sharing and gathering.

(b) Peace Officers Memorial Service

Mayor Kluttz announced that the Rowan Peace Officers will hold a Peace Officers Memorial Service at First Presbyterian Church, Tuesday, May 13, 2003 at 12:00 noon. All Council members and the public are encouraged to attend. She indicated that she had invited the County to go in with the City to place an advertisement in the paper inviting the public to attend and recognize our law enforcement.

(c) School Site Debate

Mayor Kluttz commented that she wanted Council to know that she participated in a school-site debate. She said she did not have enough notice in order to meet with Council to discuss a position. She noted that she informed the group that she did not have an

official position and was not speaking on behalf of the City Council. She indicated that she had spent time with staff gathering information and ended up with two major concerns which she shared at the debate. She stated that the concerns were to make sure the site was not so close to the Cabarrus County line that we would lose our sales tax to them and to urge the School Board to work with the City Utilities Department before they finalized any estimates on water and sewer costs. Mayor Kluttz noted that the sixteen members present on this debate panel recognized the following concerns: economic development, diversity, and growth and population trends.

ADJOURNMENT:

Motion to adjourn the meeting was made by Mr. Woodson , seconded by Mr. Burgin. All Council members agreed unanimously to adjourn. The meeting was adjourned at 6:36 p.m.

Mayor

City Clerk